

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

| | | |
|--------------------------------|---|-------------------------------|
| IN RE: | § | |
| | § | |
| MANAGED STAFFING, INC., | § | Case No. 05-90671-H1-7 |
| | § | (Chapter 7) |
| Debtor. | § | |

**TRUSTEE'S MOTION FOR ORDER AUTHORIZING
ABANDONMENT OF STATE LAW CLAIMS**

THIS MOTION SEEKS AN ORDER THAT MAY ADVERSELY AFFECT YOU. IF YOU OPPOSE THE MOTION, YOU SHOULD IMMEDIATELY CONTACT THE MOVING PARTY TO RESOLVE THE DISPUTE. IF YOU AND THE MOVING PARTY CANNOT AGREE, YOU MUST FILE A RESPONSE AND SEND A COPY TO THE MOVING PARTY. YOU MUST FILE AND SERVE YOUR RESPONSE WITHIN 21 DAYS OF THE DATE THIS WAS SERVED ON YOU. YOUR RESPONSE MUST STATE WHY THE MOTION SHOULD NOT BE GRANTED. IF YOU DO NOT FILE A TIMELY RESPONSE, THE RELIEF MAY BE GRANTED WITHOUT FURTHER NOTICE TO YOU. IF YOU OPPOSE THE MOTION AND HAVE NOT REACHED AN AGREEMENT, YOU MUST ATTEND THE HEARING. UNLESS THE PARTIES AGREE OTHERWISE, THE COURT MAY CONSIDER EVIDENCE AT THE HEARING AND MAY DECIDE THE MOTION AT THE HEARING.

REPRESENTED PARTIES SHOULD ACT THROUGH THEIR ATTORNEY.

**To the Honorable Marvin Isgur,
Chief United States Bankruptcy Judge:**

Pamela Gale Johnson, chapter 7 trustee (the "Trustee") for Managed Staffing, Inc. (the "Debtor"), files this motion for an order authorizing the abandonment of certain state law claims owned by the estate.

Summary of Relief Requested

1. The Trustee seeks an order authorizing the abandonment of certain state law claims that are the subject of a lawsuit pending in Travis County, Texas. No action has been taken for several years. The Trustee has concluded that the claims are burdensome to the estate.

In light of the history of this case, the Trustee requests a specific order authorizing the proposed abandonment.

Background and Requested Relief

2. The Debtor filed a voluntary chapter 7 case on October 14, 2005 [Docket No. 1]. The Trustee is the duly appointed chapter 7 trustee in this case.

3. In September, 2007, Texas Mutual Insurance Company (“Texas Mutual”) filed its motion to dismiss the case or alternatively, to modify the stay to allow it to assert fraudulent transfer claims against Diverse Staff, Inc., a purported successor to the Debtor (the “Claims”). The Claims were to be filed in a pending lawsuit brought by Texas Mutual against the Debtor in Travis County, Texas.

4. At the Court’s suggestion and to resolve Texas Mutual’s motion, the Trustee engaged Texas Mutual’s counsel on February 20, 2008 as special counsel to the Trustee to pursue the Claims on behalf of the estate [Docket No. 34].

5. In June, 2009, the Trustee’s special counsel moved to withdrawn based on an unspecified alleged conflict [Docket No. 39]. The motion was denied by Order entered September 1, 2009 [Docket No. 48]. Since that time, the Trustee has received no information from special counsel regarding the Claims.

6. In April, 2011, the Trustee’s general counsel contacted the Travis County Clerk to determine the status of the litigation. It appears from the docket provided to the Trustee, no activity has occurred for several years.

7. Based on the available information, it is the Trustee’s opinion that the Claims have inconsequential or no value to the estate, and should be abandoned as burdensome to the estate in accordance with 11 U.S.C. § 554 and Bankruptcy Rule 6007.

Accordingly, the Trustee requests that the Court authorize the abandonment of the Claims as set forth above and grant such other relief as is just.

Dated: May 4, 2011.

Porter Hedges LLP

By: _____

 ECF

David R. Jones

State Bar No. 00786001/S.D.Tex. No. 16082

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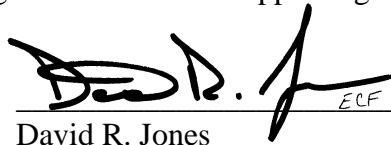
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Attorneys for the Trustee

Certificate of Service

I hereby certify that a true and correct copy of the foregoing instrument was duly served by United States first class mail with proper postage affixed, to all entities listed on the attached service list and by electronic transmission to all registered ECF users appearing in this adversary on May 4, 2011.

 ECF

David R. Jones

Service List

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Franchise Tax Board
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Harris County/City of Houston/Houston ISD
Cypress-Fairbanks ISD
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SOS Staffing-Denver Co.
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Salt Lake City, UT 84127-0008

Phoenix Employment Guide
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Tuscon Employment Guide
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